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C O N F I D E N T I A L SECTION 01 OF 02 CONAKRY 000110

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [ECON](#) [GV](#)  
SUBJECT: WORLD BANK HOPES TO RESTART PROGRAMMING

REF: CONAKRY 00084

Classified By: Ambassador Patricia Moller for reasons 1.4 (b) and (d)

¶1. (C) World Bank (WB) representative Siaka Bakayoko is generally pleased with Dore's transition government, particularly with the appointment of Minister of Finance Kerfalla Yansane. The WB is apparently eager to restart programming in Guinea, but is logistically unable to do so, as Guinea currently owes the WB \$16 million in arrears. However, the WB is working to secure International Monetary Fund (IMF) funding to immediately pay Guinea's arrears and allow programming to restart. END SUMMARY.

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WB PLEASED WITH GOVERNMENT APPOINTMENTS  
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¶2. (C) In a meeting with A/PolChief, World Bank Director Siaka Bakayoko said that he was pleased with Jean Marie Dore, newly appointed government. In particular, Siaka is pleased with the choice of Kerfalla Yansane as Minister of Finance and Economy. According to Siaka, Yansane was an effective and relatively transparent governor of the Guinean Central bank from 1985-1996. As such, the WB plans to engage Yansane frequently on issues of transparency and budget reform.

¶3. (C) Siaka argued, however, that Kerfalla will be largely ineffective as Minister of Finance unless the CNDD appointed Central Bank Governor AlHassan Barry is replaced. Barry, who is widely suspected to have diverted public funds to CNDD members' private bank accounts in 2009, is apparently slated to remain in his position throughout the transition. Siaka said that he has been speaking with Dore nearly every day to try to convince him to replace Barry with another, more appropriate choice for Governor of the Central Bank. Siaka has apparently suggested that Dore appoint Ousmane Dore (no relation to the PM), Minister of Finance from 2007-2008, to head the Central Bank. Siaka pointed out that while Ousmane Dore has been scandalized by rumors of corruption, the WB believes that he is not guilty of the charges and could manage the Central Bank effectively. (NOTE: Ousmane Dore was accused by GOG officials of embezzling funds intended for Guinea's 50 year independence celebration. In 2009, Dore was convoked to Camp Alpha Yaya on several occasions, but was never officially charged. END NOTE.)

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DORE "GIDDY" AND "ON CLOUD NINE"  
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¶4. (C) In his frequent visits with the Prime Minister, Siaka

said that PM Dore is "giddy" about finally having a government in place. In their last meeting, Siaka said, Dore danced about the room talking about how happy he was to have negotiated a government with all the factions represented. According to Siaka, now that Dore has a government in place, he feels like his work is done - he is not interested in starting the everyday work of the Prime Minister. "We need to bring him down from cloud nine and get him to start working," Siaka said.

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IMF INTERESTED IN PAYING GUINEAN ARREARS  
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15. (C) Guinea officially went into arrears to the World Bank in November (reftel). Now \$16 million behind in payments, Guinea is ineligible for WB programming until their debt payments are current. However, the WB believes that it is crucial that WB programming restart immediately. As such, they are working to secure IMF funding to pay Guinea's arrears to the World Bank and allow programming to restart. In essence, the GOG would be taking out an emergency \$16 million loan from the IMF who would then pay the World Bank. The GOG would then owe the money to the IMF rather than to the World Bank, but could re-engage with WB programming.

16. (C) Guinea's debt payments to the WB average around \$3 million a month (with four larger payments during the year). When asked if he believed that the GOG would be able to pay

CONAKRY 00000110 002 OF 002

the first \$3 million payment after arrears had been cleared, Siaka said that the IMF and WB would be sending in a team during the first week of March to assess whether the GOG would be capable of making the monthly payment.

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COMMENT  
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17. (C) Under the CNDD, the Ministry of Finance was widely considered a corrupt and ineffectual ministry that contributed significantly to the diversion of public funds to private individuals. If the new Minister of Finance proves to be as effective as Siaka hopes, the transition government may have a chance to get finances back on track. Though Ousmane Dore's involvement in corruption is unclear, his reputation was significantly damaged by the CNDD campaign against him. If he were to assume the position of Central Bank Governor, it would likely cast doubt among Guineans concerning PM Dore's willingness to combat corruption in his government. Moller